

January 22, 2026

CIRCULAR LETTER: CC-2026-2055-D

**TO ALL ENTITIES REGULATED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE GENERAL PUBLIC**

**NOTICE OF THE DETERMINATION OF THE NAIC APPEALS PANEL AND STATUS OF THE
ACCREDITATION PROCESS OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
OF PUERTO RICO**

Dear Sirs and Madams:

The Office of the Commissioner of Insurance (OCI) informs that the Appeals Panel of the National Association of Insurance Commissioners (NAIC) confirmed the determination adopted by the NAIC Financial Regulation Standards and Accreditation (F) Committee (Committee F) during the Spring National Meeting of March 2025, based on the administrative record existing at the time of that evaluation, through which Puerto Rico's accreditation under the Accreditation Standards (Part A Accreditation Standards) was suspended.

This determination responded to the fact that, at the time of Committee F's evaluation, the legislation required by the NAIC to regulate international insurers and reinsurers that operate as multi-state entities in the United States had not yet been approved, which kept in effect an exposure to regulatory risk identified by that body.

It is important to clarify that the role of the NAIC Appeals Panel is strictly limited to evaluating whether the determination adopted by Committee F in March 2025 was correct in light of the administrative record existing at that time. This Panel does not re-evaluate subsequent facts nor substitute the committee's judgment based on developments that occurred after the date of the appealed determination.

It should be noted that the Appeal Hearing Panel of the National Association of Insurance Commissioners determined that the suspension adopted in March 2025 was duly supported by substantial evidence contained in the administrative record at that time. Likewise, the Panel recognized the recent efforts of the Office of the Commissioner of Insurance and the Government of Puerto Rico to address the identified concern and to move the process toward the reestablishment of accreditation in accordance with NAIC Standards.

In that context, at the time Committee F adopted its determination in March 2025, the legislation required to address the concern related to multi-state international insurers was still in the legislative process, so the exposure to regulatory risk persisted and had not been

formally remedied. Based on that record, the determination responded to the situation existing at that time.

It is essential to highlight that this concern was addressed as a matter of urgency by the Governor of Puerto Rico, Hon. Jenniffer González Colón, and the Legislative Assembly through the approval of Act No. 130 of November 24, 2025 (Act-130), which established the regulatory framework necessary for multi-state international insurers and reinsurers to comply with the requirements of the NAIC Accreditation Standards. This action was formally recognized by Committee F, as stated in its letter of December 9, 2025.

We emphasize that, according to that communication, the approval of Act-130 puts Puerto Rico on a path toward compliance with the Accreditation Standards. In addition, in that letter Committee F expressly recognized the effort made by the Government of Puerto Rico within an extraordinarily short period of time. In that letter, the following is stated:

“We believe that the passage of Act 130-2025 (the Act) would put Puerto Rico on a trajectory to come into compliance with the Part A Accreditation Standards with respect to multistate international insurers. We recognize that the passage of the Act was a monumental achievement, especially within such a short time frame.

As discussed at the Committee’s December 8, 2025 meeting, the OCI (OCS – by its Spanish acronym) is asked to continue working with NAIC Accreditation staff to prepare a Corrective Action Plan (CAP) to be provided to the Committee at your earliest convenience. Once received, the Committee has committed to Puerto Rico that it will hold a dedicated meeting within 45 days to reevaluate Puerto Rico’s Accreditation status from suspension to probation.”

Precisely for this reason, and once the concern was addressed through the approval of Act-130, the current process before the NAIC does not focus on reopening the March determination, but rather on evaluating the progress achieved and considering the change in accreditation status from suspended to accredited on probation, in accordance with the ordinary framework of the Accreditation Program.

Along those lines, the OCI presented to Committee F, during the NAIC Fall National Meeting, the actions taken by the Government of Puerto Rico to restore accreditation. Likewise, on December 19, 2025, it submitted to the NAIC the Corrective Action Plan (CAP) required to consider the change in accreditation status at the meeting to be scheduled for February. The OCI has remained in constant communication and coordination with NAIC accreditation staff throughout this process.

These efforts reflect our commitment to regulatory stability, transparency, the protection of policyholders, and the continuous strengthening of public management that ensures Puerto Rico has a solid and reliable insurance industry.

There is reasonable confidence that, during the meeting to be scheduled by Committee F, the progress made will be evaluated favorably and that the modification of status will be considered, in accordance with the ordinary framework of the Accreditation Program and consistent with the statements of the NAIC set forth in the letter of December 9, 2025. This would allow completion of the regulatory transition provided for in Act-130 and continued progress toward the restoration of full accreditation status.

The OCI reaffirms its commitment to transparency, to its duty as a regulatory agency, and to the protection of consumers, and will continue working diligently to complete this process in accordance with the highest regulatory standards.

Sincerely,

Atty. Suzette Del Valle Lecároz
Commissioner of Insurance